

I want to take the opportunity to share an update about the massive, job-killing tax increases set to take effect on January 1, 2011. Unfortunately, according to news reports, the likelihood of an agreement between current Democrat leadership in Congress to halt these tax hikes before the current session of Congress adjourns is getting smaller. I believe that this is unacceptable. The American people are faced with incredible uncertainty about what will happen to their taxes at the end of the year. By failing to act in order to halt the largest tax increase in history, President Obama and Congressional Democrats have left our small businesses hanging, resulting in fewer jobs and lower confidence in our economy. As it stands today, on New Year's Day every taxpaying American will see their taxes skyrocket. This will only make matters worse for an economy that is struggling to get back on track and will kill even more jobs. Tax increases simply don't create jobs. I'm committed to protecting North State residents from this crippling blow to our economy. We cannot continue the cycle of tax and spend government that the American people rejected just two weeks ago. Washington must stop these tax hikes, limit our out-of-control spending, and begin a real economic recovery.

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**NOTE: Below is a partial list of the tax hikes set to take effect on January 1, 2011.□□ [Click here](#) for more information.**

**Personal Income Tax Hikes** – The lowest-income taxpayers (the 10% bracket) get bumped up to 15%. Tax rates for the top four brackets will rise to 28%, 31%, 36%, and 39.6%. It is important to note that many small businesses, the engine of job creation, also file taxes at these rates.

**Savings and Investment Tax Hikes** – Individual capital gains tax rates will increase to 20% and 10% (from 15% and 0%). The double taxation of dividends will increase by as much as 164% (as they will no longer be taxed at the capital gains rate for individuals). Higher taxes on savings and investment will result in less of both – and a weaker job market.

**The Death Tax** – This unfair tax is set to return to a rate of 55% of a deceased person's assets over \$1 million.

